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U.S. POSTAL SERVICE

PRESIDING OFFICER'S  
RULING NO. C2001-3/27

UNITED STATES OF AMERICA  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Complaint on First-Class Mail Standards

Docket No. C2001-3

PRESIDING OFFICER'S RULING ON MOTION FOR RECONSIDERATION  
OF PRESIDING OFFICER'S RULING NO. C2001-3/24

(Issued July 17, 2002)

RULING GRANTING REQUEST FOR MODIFICATION OF  
RULING NO. C2001-3/24

Complainant Douglas F. Carlson and the Postal Service seek reconsideration, on independent grounds, of P.O. Ruling No. C2001-3/24, and jointly propose an alternative to the ruling's data disclosure terms. Those terms addressed a dispute over Mr. Carlson's request, in interrogatory DFC/USPS-1, for production of average daily "point-to-point" First-Class Mail Origin-Destination (ODIS) volume data. The request entailed data for each originating 3-digit ZIP Code area in 11 western states and in New Jersey to each destinating 3-digit ZIP Code in the nation.<sup>1</sup> The motions for reconsideration are granted.

This ruling should end a protracted controversy. In response to Mr. Carlson's initial inquiry, the Service acknowledged that responsive data could be generated from its ODIS data systems, and did not question burden or relevance; however, it objected to publicly releasing the requested data on the basis of a longstanding institutional policy. It asserted, without elaboration, that it considers point-to-point volume data commercially sensitive and privileged. In lieu of filing a responsive answer to the

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<sup>1</sup> The western states referred to in DFC/USPS-1 are Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, New Mexico, Colorado, Montana and Wyoming.

interrogatory, the Service invited Mr. Carlson to initiate discussions with Postal Service counsel regarding application of protective conditions. Mr. Carlson declined to do so, maintaining his position on public disclosure in an extensive motion that reviewed several supporting legal and policy points. The Service, in turn, filed a lengthy opposition which, among other things, reiterated its concerns about disclosure and took issue with Mr. Carlson's arguments. It also proposed, as an alternative, disclosure of a list identifying downgraded origin-destination pairs that were potential candidates for retaining 2-day service based on a significant business/volume relationship.<sup>2</sup>

In reaction to P.O. Ruling C2001-3/24, participants finally have focused on the information necessary to evaluate issues in this docket. I am pleased that they have done so, but consider it unfortunate that it has taken them so long to focus on the relationship of the data sought here to the theory of the complaint. Also, in agreeing that reconsideration is appropriate, I note that I find unpersuasive the Service's contention that the initial ruling left open the possibility that the complainant could have requested (and been granted) an adjustment to the original terms, and that these terms might then conflict with the Service's position on disclosure. Participants are always free to request reconsideration of a ruling, and it is therefore possible that new or revised terms, if issued, may differ from those deemed more suitable or appropriate by the Service or other party in interest.

*Background.* In the interest of maintaining a manageable record, P.O. Ruling C2001-3/24 excluded New Jersey-related data. For the referenced western states, it directed the Service to provide, in lieu of the entire disaggregated data set, data limited to city pairs that were downgraded from 2-day to 3-day service. It further authorized the Service to present the data in several broad groupings corresponding to low, medium and high volume ranges. P.O. Ruling No. C2001-3/24 at 2-3. The rationale for this approach was based, among other considerations, on balancing the Service's claims of

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<sup>2</sup> See Objection of the United States Postal Service to Interrogatory of Douglas Carlson (October 24, 2001) at 1; Douglas Carlson Motion to Compel the United States Postal Service to Respond to Interrogatory DFC/USPS-1 (November 7, 2001); and Opposition of the United States Postal Service to Douglas Carlson Motion to Compel Response to DFC/USPS-1 (November 14, 2001).

commercial sensitivity with the public interest in disclosure of data pertinent to the issues central to this complaint.

*Mr. Carlson's position.* Mr. Carlson takes issue with the ruling's authorization of broad data groupings and the exclusion of New Jersey data. He asserts that allowing the data to be collapsed into several categories holds the potential for manipulation. He questions the consistency of this approach with the Commission's position in another docket (Order No. 1331, issued November 27, 2001, in Docket No. C2001-1), and objects to the absence of any required disclosure of actual volume data, either publicly or under protective conditions. Douglas F. Carlson Motion for Reconsideration of Presiding Officer's Ruling No. C2001-3/24, July 3, 2002 (Carlson Motion) at 2-3. Carlson also contends that the Service should be required to supplement the public filing with a separate filing, under protective conditions, that contains the raw volume data. Carlson Motion at 2.

With respect to the ruling's restriction to data for the western states cited in the interrogatory, Carlson indicates he included New Jersey in the interest of establishing, in conformance with Commission rule 82, that the scope of the issues he has raised is substantially nationwide, and not strictly limited to western states. *Id.* at 3-4.

*The Postal Service's position.* The Service acknowledges that Ruling No. C2001-3/24 rejected its assertions regarding the commercial sensitivity of point-to-point First-Class Mail volume data, and asserts that it finds this conclusion troubling. Motion of the United States Postal Service for Reconsideration of Presiding Officer's Ruling No. C2001-3/24, July 3, 2002 (Postal Service Motion) at 1. Moreover, it says that while the ruling stops short of requiring public disclosure of the requested 3-digit ZIP Code area pair volume data, the proposed solution does not sufficiently diminish its disclosure concerns. Postal Service Motion at 2. The Service also describes a scenario in which disagreement over compliance with the ruling could lead to a second disclosure, based on a refined definition of the initial ranges, and thereby yield more specific identification of the range in which certain volume figures fell. *Id.* at 2-3.

*The proposed alternative.* The modification proposed by the complainant and the Postal Service entails, for the ODIS average daily volumes originating in Processing and Distribution Centers (P&DCs) in the western states cited in DFC/USPS-1 and New Jersey, destined to all sectional center facilities (SCFs) the following: (1) disclosure of the volumes in a Postal Service library reference subject to protective conditions, such as those applied in connection with P.O. Ruling No. R2001-1/24 (December 19, 2001); and (2) for the parent P&DC-to-ADC origin-destination pairs that incurred a service standard downgrade as a result of the completion of the implementation of the service standard changes in 2000-2001, disclosure of such originating data (in that library reference) in a manner “rolled-up” to the destinating ADC level, along with similar data for all parent P&DC-to-ADC origin-destination pairs. *Id.* at 3-4.

The alternative further provides that, upon intervenor access to such data under protective conditions, the complainant and the Postal Service will work expeditiously together to determine mutually acceptable “high, medium, and low” volume range designations to characterize the parent P&DC-to-ADC data, for publication in a subsequent Postal Service library reference without protective conditions. *Id.* at 4.

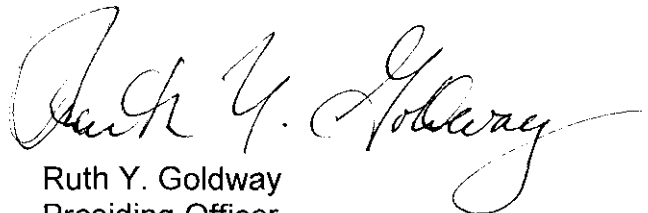
Finally, the Service and the complainant agree that the “0.5 percent threshold” list of parent P&DCs to destination sectional center facilities (which the Service discussed in an earlier pleading) should be provided under the same protective conditions referenced above. *Id.* at 5.

*Discussion.* Of the various reservations expressed in the separate motions underlying the instant reconsideration request, a common point of contention — for different reasons — is the ruling’s direction that the data should be collapsed into several broad categories. Mr. Carlson, based on his interests, thinks this approach holds the potential for manipulation and, perhaps more importantly, fails to provide public disclosure of pertinent data. The Service, on the other hand, continues to insist that even the proposed data groupings have the potential to conflict with its institutional position on the data’s commercial sensitivity.

Movants have presented a mutually-developed alternative that appears to satisfy the ruling's primary objectives and to present a productive avenue for bringing the discovery stage of this proceeding to a close. Accordingly, the terms of Ruling No. C2001-3/24 are modified as proposed by the movants.

### RULING

1. Douglas F. Carlson's Motion for Reconsideration of Presiding Officer's Ruling No. C2001-3/24, filed July 3, 2002, and the Motion of the United States Postal Service for Reconsideration of Presiding Officer's Ruling No. C2001-3/24, filed July 3, 2002, are granted.
2. Presiding Officer's Ruling No. C2001-3/24 is modified as described in the body of this ruling.



Ruth Y. Goldway  
Presiding Officer